

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

TREASURY

CINCPAC

COMUSSAGE 7AF

COGARD

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

UNCLAS STATE 153587

COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: JULY 16 EA PRESS

SUMMARY

INDOCHINA

1. INFORMED SOURCES SAY SOUVANNA CONTINUES TO IMPROVE
UNDER CARE OF TEAM OF OVER TEN LOCAL AND FOREIGN
DOCTORS. SAY CHINESE HEART SPECIALIST COMING FROM
UNCLASSIFIED

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PEKING WITHIN NEXT FEW DAYS BUT LATTER NOT OFFICIALLY
CONFIRMED (REUTER VIENTIANE).

2. UPI REPORTS FROM LAOS ON VISIT OF LOCAL JOURNALISTS

TO VILLAGE 100 MILES EAST OF VIENTIANE. CONVERSATIONS WITH NVA SOLDIERS "DISPEL ANY DOUBTS" ABOUT NVA PRESENCE IN VIOLATION OF C-F. NEWSMEN TOLD COMMUNISTS THAT THEY WERE TRAVELERS LOOKING FOR RELATIVES AMONG PL. COMMANDER OF SMALL NORTH VIET GARRISON WOULD NOT LET REPORTERS GO FURTHER WITHOUT OFFICIAL PASS, BUT WAS QUITE WILLING TO TALK POLITICS IN BROKEN LAOTIAN. NO PL TROOPS WERE IN VILLAGE; SOLDIERS ADMITTED BEING FROM NVN AND VOWED TO STAY IN LAOS UNTIL ALL AMERICANS LEAVE. COMMANDER SAID MANY US MILITARY WERE STILL "CAMOUFLAGED" IN VIENTIANE AND THAT NVN MISSION IS TO DRIVE AMERICANS OUT OF INDOCHINA AS WELL AS TO STAY ON UNTIL US AIR BASES IN THAILAND ARE VACATED. MEETING WAS TENSE BUT FRANK, AND

AT END NEWSMEN WERE ESCORTED BACK ACROSS TRUCE LINE (BALTO N-A 7/15).

3. GVN SAYS VC TRIED TO SABOTAGE ELECTIONS BY SHARPLY INCREASING C-F VIOLATIONS AND TERRORIST ATTACKS TO HIGHEST LEVEL SINCE C-F. OVER 600 VIETS FROM BOTH SIDES REPORTED KILLED OR WOUNDED (AP, PHINQ; REUTER, SUN; CSM). VC REPEAT CHARGE THAT ELECTION WAS VIOLATION OF C-F AGREEMENT. RESULTS NOT EXPECTED UNTIL LATER THIS WEEK, BUT POLITICAL OBSERVERS EXPECT DEMOCRACY PARTY TO CAPTURE MOST OF 478 SEATS IN 44 PROVINCES AND ELEVEN MUNICIPALITIES VOTING (AP, PHINQ). DIPLOMATIC OBSERVERS SAY RELATIVELY LOW TURNOUT OF 79.3 PERCENT OF SEVEN MILLION ELECTORATE APPEARED ATTRIBUTABLE MORE TO PUBLIC APATHY THAN TO COMMUNIST CAMPAIGN. DEMOCRACY PARTY DID NOT OFFICIALLY BACK ANY CANDIDATES, BUT IT IS ONLY PARTY WHICH SO FAR MEETS STRINGENT LAWS GOVERNING MEMBERSHIP (REUTER, SUN).

4. MCCOMBS (WP) FROM SAIGON SAYS THAT UNPRECEDENTED NUMBER OF OPPOSITION POLITICIANS ATTENDED FRENCH UNCLASSIFIED

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AMBASSADOR'S BASTILLE DAY RECEPTION. LOCAL NEWSPAPER CALLED THIS "IN HARMONY WITH TE RATE OF DEVELOPMENTS" IN SITUATION. MCCOMBS "TRANSLATES" THIS TO MEAN THAT MANY RUMORS SAY US IS LEANING ON THIEU TO GIVE THE OPPOSITION A ROLE IN GOVT, AND SINCE OPPOSITIONISTS HAVE SOME OF STRONGEST SUPPORT IN FRENCH COMMUNITY, FRENCH WISHED TO MAKE A POINT BY INVITING A LOT OF THEM TO BASTILLE DAY CELEBRATION. SUPPORTER OF "BIG" MINH SAYS FRENCH REPEATED INVITATION SEVERAL TIMES; "REALLY WANTED US TO COME." BIG MINH DID NOT ATTEND, SINCE DISLIKES BIG RECEPTIONS, BUT MANY OF HIS FOLLOWERS DID SHOW UP. MINH IS CONSIDERED LEADER OF ANTI-COMMUNIST,

ANTI-THIEU "THIRD POLITICAL FORCE," AND RUMORS SAY HE RECENTLY MADE SPLASH ON ARMED FORCES DAY WHEN HE SHOOK HANDS WITH THIEU AND SPENT SEVERAL HOURS TALKING TO PM KHIEM. OPPOSITION BUDDHIST SENATOR SAID RECEIVED CALL FROM TRAN VAN DON, THIEU'S NEW LEGISLATIVE LIAISON MAN; STATED THAT DON WANTS TO KEEP CONTACT WITH OPPOSITION AND TOLD HIM THAT PARIS TALKS WILL BE REOPENED AGAIN. ANOTHER RUMOR, ACCORDING TO MCCOMBS, IS THAT US WANTS PROGRESS IN LA CELLE-ST. CLOUD TALKS; SOME SAY US WANTS TO GET THINGS SETTLED AND GET OUT OF INDOCHINA, OTHERS THAT WITHOUT PROGRESS CONGRESS MAY CUT OFF AID MONEY. BUDDHISTS AND CATHOLICS ARE CONSIDERED

POTENTIALLY IMPORTANT THIRD-FORCE ELEMENTS IF THIEU IS BEING "FORCED" TO BROADEN POLITICAL PARTICIPATION, AND AT LEAST TWO BUDDHIST MONKS, INCLUDING HIGH-RANKING AN QUANG OFFICIAL, ATTENDED FRENCH RECEPTION.

5. LAT'S MCARTHUR IN SAIGON REPORTS THAT MANY CAPITAL POLITICIANS FEAR THAT WELL-ORGANIZED ETHNIC CHINESE MAY GAIN CONTROL OF MUNICIPAL COUNCIL THROUGH LOCAL ELECTION, IN FACE OF OPPOSITION BY "GRAB BAG" OF CONTENDERS. INCUMBENTS USUALLY BLAME CONTINUING WAR, INFLATION AND BUSINESS STAGNATION ON CENTRAL GOVT; THERE ARE VIRTUALLY NO RECOGNIZABLE "PEACE" CANDIDATES AND COMMUNISTS UNCLASSIFIED

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BARRED BY LAW; AND AN QUANG PAGODA HAS WITHHELD PUBLIC SUPPORT FROM ANY CANDIDATES. MCARTHUR SEES NATIONWIDE ELECTIONS AS OF MORE THAN PASSING INTEREST SINCE THIEU IS "CAUTIOUSLY CONSIDERING" REMOVAL OF SOME MIL MEN FROM PROVINCIAL AND DISTRICT POLITICAL JOBS, THUS STRENGTHENING LOCAL COUNCILS. GVN DENIES PROVINCE CHIEFS SUPPORT DEMOCRACY PARTY CANDIDATES. WITH DIVIDED OPPOSITION, CAMPAIGN HAS BEEN LACKLUSTER.

6. AP DESCRIBES ORPHANAGE BUILT BY US FIRST INFANTRY DIVISION 30 MILES NORTH OF SAIGON. TROOPS SUPPORTED HOME GENEROUSLY, BUT DIVISION LEFT VN IN 1970 AND "TEARS, THE FEARS, THE LONELINESS, ALL THE PAINS OF BEING AN ORPHAN, RETURNED" TO INMATES. EIGHTY CHILDREN HAVE ENOUGH FOOD, THOUGH DIET IS SPARTAN, AND SOME ATTEND SCHOOL, BUT LACK LOVE. TWO ARE AMERICAN-VIET CHILDREN. SOME FUNDS LEFT BY FIRST DIVISION ARE STILL AVAILABLE AND SOME HELP COMES FROM GVN AND VOLAGS, BUT DIRECTOR SAYS INCOME MEETS ONLY HALF OF NEEDS AND SAVINGS ARE BEING USED UP (NYT).

7. TRAVELERS WITH ACCESS TO WELL-INFORMED SOURCES IN HANOI REPORT THAT GEN. GIAP, SUFFERING FROM CANCER, HAS BEEN EASED FROM CENTER OF POWER AND IS BEING SUBJECTED TO WHISPERING CAMPAIGN OF CRITICISM. REPORTS INDICATE THAT 62-YEAR-OLD HERO IS NEARING END OF ILLUSTRIOUS CAREER (GLOBE).

CHINA

8. IN HK, LEADER OF CANADIAN EDUCATIONAL DELEGATION DENIES PRC OFFICIALS TOLD HIM THAT CHOU EN-LAI HAS SUFFERED HEART ATTACK OR THAT ANY MEMBER OF DELEGATION GAVE SUCH STORY TO JOURNALISTS IN PEKING. INSISTS HE SAID IN CHINA ONLY THAT "CERTAIN CHINESE HAD HEARD THIS RUMOR AND HAD NOT DENIED IT" (NYT'S LELYVELD, WP). LELYVELD SAYS INCIDENT, IF NOTHING ELSE, WAS USEFUL ILLUSTRATION OF "EXTREME DEARTH OF RELIABLE FACTS" ON CIRCUMSTANCES OF UNCLASSIFIED

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CHINESE POLITICAL LEADERS AT PRESENT. FINDS IT "STRIKING, FOR INSTANCE," THAT AS OF MONDAY EVENING PRC HAD ISSUED NO DENIAL OF CHOU'S REPORTED HEART ATTACK, AND PREDICTS THAT, INEVITABLY, IN NEXT FEW DAYS THERE WILL BE DEBATE AMONG CHINA WATCHERS ABOUT WHETHER LACK OF DENIAL CAN BE CONSTRUED AS OFFICIAL CONFIRMATION OF HEART ATTACK REPORT. NOTING THAT SOME ANALYSTS BELIEVE THERE IS STRONG POSSIBILITY CHOU IS PRC HEAD NOW ONLY IN TITULAR SENSE, CONTENTS IT IS TRIBUTE TO ADMIRATION IN WHICH PREMIER IS HELD BY DIPLOMATS GENERALLY THAT MANY OTHERS HAVE CONTINUED RESISTING THIS CONCLUSION. ADDS THAT IF CHOU IS NOT IN CHARGE IN PEKING, "IT IS NOT AT ALL CLEAR WHO IS."

IN FIRST SUBSTANTIVE COMMENT IN TEN DAYS, PRC OFFICIALS SAID MONDAY THAT CHOU IS STILL IN HOSPITAL CONVALESCING AND WILL NOT BE SEEING FOREIGN VISITORS FOR TIME BEING, TORONTO GLOBE AND MAIL PEKING DISPATCH STATES. IT POINTS OUT THAT DESPITE CANADIAN'S DENIAL THAT HE WAS TOLD BY CHINESE ABOUT CHOU'S HEART ATTACK, IT WAS REPORTED IN HK "INDEPENDENTLY" MONDAY THAT HIGH-RANKING DIPLOMATS WERE TOLD MORE THAN WEEK AGO THAT PREMIER HAD SUFFERED HEART ATTACK (NYT).

9. REUTER PEKING REPORTS THAT HUNDREDS OF CHINESE TOOK TO KUNMING LAKE TUESDAY IN MAMMOTH SWIM TO MARK EIGHTH ANNIVERSARY OF MAO'S FAMOUS YANGTSE SWIM IN 1966. PROCESSIONS OF PEOPLE SWAM BETWEEN LINES OF CROWDED, FLAG-BEDECKED BOATS ACCOMPANIED

BY MARTIAL MUSIC PLAYED OVER LOUDSPEAKERS.

10. TORONTO GLOBE AND MAIL'S BURNS, IN PEKING, SEES MONTH REVEALING SIDE OF CHINA LIFE THAT IS ALL BUT MASKED IN NORMAL TIMES: POLITICAL PROSECUTION, ATTEMPTS BY SECURITY POLICE TO EXTORT CONFESSIONS OR ACCUSATIONS, RESORT TO BRUTALITY, EVEN USE OF TRUMPED-UP CHARGES OF SEXUAL IMPROPRIETY IN EFFORT TO DESTROY CAREERS. REGIME'S LOYAL SUPPORTERS OBJECT THAT MANY OF POSTERS FABRICATE OR OVERSTATE UNCLASSIFIED

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THEIR CASES -- BUT "IT REQUIRES SOME EFFORT TO IMAGINE WHY ANYONE WOULD LEVEL UNFOUNDED ACCUSATIONS

AGAINST BUREAUCRACY WHEN PENALTY COULD BE YEARS IN LABOR REFORM CAMP OR WORSE." YET, IF ONLY PART OF WHAT PROTESTERS ALLEGE HAS ANY BASIS IN FACT, THERE HAS CLEARLY BEEN SOME FAIRLY SERIOUS DEVIATION FROM MAO'S PRINCIPLES. WHAT POSTERS SEEM TO REVEAL IS THAT "OLD BOGIES" HAVE RAISED THEIR HEADS ONCE AGAIN -- DEVELOPMENTS THAT WOULD NOT SURPRISE MAO, WHO HAS RECOMMENDED RECURRENT CULTURAL REVOLUTIONS.

11. CSM'S BOURNE, IN PRAGUE, SEES SOVIET, IN ANXIETY TO HAVE ALL-EUROPEAN COMMUNIST PARTIES' MEETING, WILLING TO ACCEPT INSISTENCE OF YUGOSLAV, ITALIAN AND ROMANIAN PROSPECTIVE PARTICIPANTS THAT CONFERENCE NOT EMPHASIZE ISOLATION OF CHINESE PARTY OR, INDEED, EVEN CRITICIZE IT.

12. USDA SAYS ROC PURCHASES OF US SOYBEANS ARE LIKELY TO REMAIN NEAR OR BELOW THAT COUNTRY'S 588,234-TON BUYING LEVEL (JOC).

KOREA

13. PARK DECLARED TUESDAY THAT TWO KOREAS ARE VIRTUALLY IN STATE OF WAR BECAUSE OF INTENSIFIED ARMED PROVOCATIONS FROM NORTH. ADDRESSING NATIONAL WAR COLLEGE GRADUATION CEREMONY, HE CHARGED NK IS SEEKING CHANCE TO LAUNCH ALL-OUT AGGRESSION AINST SK, AND SAID NK ATTEMPTS WERE ILLUSTRATED BY THEIR ATTACK ON FISHING BOATS IN WEST SEA LAST FEB, SINKING OF MARITIME POLICE PATROL BOAT OFF EAST COAST LATE LAST MONTH AND INFILTRATION OF ARMED SPY BOAT NEAR PUSAN EARLY THIS MONTH.

14. YUN PO-SUN AND THREE OTHER PROMINENT GOVT CRITICS WENT ON TRIAL TUESDAY CHARGED WITH ATTEMPTING TO TAKE OVER POWER THROUGH VIOLENT STUDENT UPRISINGS. DEFENSE MIN IDENTIFIES OTHERS

AS PRESBYTERIAN PASTOR PAK HYONG-KYU AND PROFESSORS
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KIM CHAN-KOOK AND KIM DONG-KIL OF YONSEI U (REUTER
SEOUL).

KOREA/JAPAN

15. SEOUL COURT SENTENCES TWO JAPANESE CITIZENS TO
20 YEARS IN PRISON FOR ALLEGED ANTI-GOVT ACTIVITIES.
NO IMMEDIATE COMMENT FROM GOJ, BUT JAPANESE AMBASSADOR
WAS RECALLED TO TOKYO SUNDAY, APPARENTLY FOR
CONSULTATIONS ON CASE (WP). NYT'S BUTTERFIELD,
IN SEOUL, REPORTS THAT SENTENCING OF JAPANESE IS

EXPECTED TO AGGRAVATE ALREADY STRAINED RELATIONS
BETWEEN THE COUNTRIES. SAYS ACCOUNTS FROM FEW
OUTSIDERS ALLOWED TO ATTEND TRIAL INDICATE PROSECUTION
FAILED TO PRODUCE EVIDENCE PROVING JAPANESE DEFENDANTS
HAD BEEN DISPATCHED BY NK OR JCP, BUT BOTH REPORTEDLY
ADMITTED THEY HAD BEEN IN CONTACT WITH SOME OF
ACCUSED STUDENTS AND HAD TALKED ABOUT ANTI-GOVT
ACTIONS.

CSM'S POND, IN TOKYO, AGREES THAT SK-JAPAN RELATIONS
DETERIORATED FURTHER WITH SENTENCING OF TWO JAPANESE
IN SEOUL. STATE OF RELATIONS SYMBOLIZED THIS WEEK
BY TEMPORARY RECALL OF BOTH AMBASSADORS TO THEIR
HOME COUNTRIES. OHIRA POINTEDLY TOLD REPORTERS
MONDAY HE HOPED ROKG WOULD RELEASE JAPANESE
DEFENDANTS TO MAINTAIN FRIENDSHIP BETWEEN COUNTRIES,
BUT GAIMUSHO "IS LETTING IT BE KNOWN THAT JAPAN'S
WHOLE KOREA POLICY IS UNDER REVIEW THIS WEEK."
IN PARTICULAR, JAPANESE SIDE IS HINTING BROADLY
THAT IMPORTANT BILATERAL MINISTERIAL CONFERENCE
WILL NOT BE HELD THIS YEAR UNTIL CASES OF TWO
JAPANESE AND OF KIM TAE-CHUNG ARE SETTLED. ACCORDING
JAPANESE PRESS ACCOUNTS, ROKG IS SEEKING GOJ APOLOGY
FOR ACTIONS OF TWO CONVICTED JAPANESE.

JAPAN

16. FUKUDA RESIGNS, DEEPENING CRISIS IN LDP. EARLIER,
FUKUDA SUPPORTER SHIGERU HORI ALSO QUIT (REUTER
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TOKYO).

17. ON TOKYO ARRIVAL MONDAY NIGHT, AMB. HODGSON SAID
PRES WANTS TO VISIT JAPAN THIS YEAR (AFP, WP).

18. POLICE CAPTURE HIJACKER AT NAGOYA AIRPORT WHO HAD THREATENED TO BLOW UP PLANE; 89 PASSENGERS INCLUDED TWO AMERICANS. HE HAD DEMANDED RELEASE OF TAKAYA SHIOMI, LEADER OF LEFT WING EXTREMIST "RED ARMY" GROUP RESPONSIBLE FOR 1972 LOD AIRPORT MASSACRE. HIJACKER ATTEMPTED SUICIDE WHEN CAPTURED AND IS NOW IN CRITICAL CONDITION IN NAGOYA HOSPITAL. PASSENGERS AND CREW UNHURT (SEIDEN, SUN; AP, NYDN; UPI, NYT; CHITRIB; PHINQ; CSM).

19. MITI ANNOUNCES US AND JAPAN HAVE INITIALLED TRADE AGREEMENT ALLOWING HIGHER IMPORT QUOTAS OF JAPANESE TEXTILES, REPLACING TWO TRADE PACTS DUE TO EXPIRE IN SEPT. FORMAL SIGNING OF AGREEMENT EXPECTED IN

SEPT. PACT TO RUN 3 YEARS AND 3 MONTHS BEGINNING IN OCT (REUTER TOKYO).

20. JAPAN SUFFERS 16TH CONSECUTIVE MONTHLY B/P DEFICIT IN JUNE, WHILE REGISTERING FIRST TRADE SURPLUS SINCE DEC '73 (JOC; UPI, NYT; WSJ).

21. JAPAN MAY AUTHORIZE 2 OR 3 MORE US LIFE INSURANCE COMPANIES TO OPERATE THERE NEXT SPRING. FINANCE MINISTRY OFFICIALS HOPE AMERICANS WILL "JOLT" CONSERVATIVE JAPANESE FIRMS INTO MAKING IMPROVEMENTS (JOC).

PHILIPPINES

22. GOP HAS REJECTED TRADE TREATY PROPOSAL BY US TO REPLACE LAUREL-LANGLEY. FINANCE SECRETARY VIRATA MAY DISCUSS ECONOMIC TREATY WHEN VISITING WASHINGTON IN OCT FOR WORLD BANK MEETING, ACCORDING DOS REP GEORGE ALDRICH (AP, NYDN).

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23. IMF AUTHORIZES 46.5 MILLION DOLLAR STANDBY LOAN TO PHILS, 12TH IN SUPPORT OF GOVT'S ECONOMIC STABILIZATION EFFORTS. PERMITS BORROWING OF CURRENCIES UP TO THAT AMOUNT OVER NEXT 12 MONTHS. GOP SEEKS TO USE TO SUSTAIN GROWTH MOMENTUM ACHIEVED IN '73 WHEN REAL GNP GROWTH EQUALLED 8 PERCENT WITH B/P SURPLUS OF 665 MILLION DOLS (WSJ; JOC).

24. USDA REPORTS ONE-THIRD DECLINE IN PHILS COPRA PRODUCTION OVER COMPARABLE '72-'73 PERIOD COULD REFLECT SMUGGLING OUT OF SOUTHERN PORTS TO AVOID HEAVY EXPORT TAX, OR COULD REPRESENT SHORT-TERM HOLDING ACTION BY EXPORTERS EXPECTING REDUCTION

IN EXPORT TAXES (COMMODITY NEW SERVICE, JOC).

25. CAB REFUSES PAL REQUEST TO INCREASE FLIGHT CAPACITY ON SF - HONOLULU - MANILA ROUTE. GIVES GOP REFUSAL TO US CARRIER REQUESTS FOR INCREASES AS ONE REASON (WSJ).

THAILAND

26. RAINMAKERS SEED CLOUDS OVER CENTRAL AND NE THAILAND IN EFFORT TO END DROUGHT THREATENING MORE THAN 5 1/2 MILLION ACRES OF RICE IN AREA THAT LAST YEAR PRODUCED OVER 8 MILLION TONS (AFP, NYPOST 7/15).

INDONESIA

27. GOI DEPARTMENT OF INDUSTRY SAYS IMPORTS OF ASSEMBLED ELECTRICAL EQUIPMENT SUCH AS AIR CONDITIONERS, REFRIGERATORS, AND SEWING MACHINES WILL BE BANNED ON GROUNDS THAT EQUIPMENT COULD BE PRODUCED LOCALLY (WSJ).

28. TESORO PETROLEUM ANNOUNCES DISCOVERY OF LOW-SULFUR OIL IN MINGATAL AREA OF NW TARAKAN ISLAND, KALIMANTAN (WSJ).

NEW ZEALAND

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29. NZ MAN WHO CLAIMS TO BE VN VET TELLS RADIO AUDIENCE BY TELEPHONE THAT HE AND THREE OTHER NZ SOLDIERS KILLED SIX US SOLDIERS THAT THEY FOUND TORTURING VIET CIVILIANS. MAN ASKS "INDEMNITY" FROM NZ DEFMIN BEFORE DIVULGING NAME AND PROVIDING WRITTEN DETAILS, SAYS INCIDENT PREYS ON HIS MIND AND AGREES THAT SOME SORT OF GOVT INQUIRY IS NECESSARY (REUTER AUCKLAND).

COMMENT AND ANALYSIS

KOREA

30. S-N (JULY 14), RECOUNTING OUTRAGEOUS ACTS OF PARK REPRESSION, CALLS FOR SERIOUS REVIEW OF US POLICY TOWARD SK. NOTES LOUD CALLS FROM POLITICIANS AND OTHER PUBLIC FIGURES FOR IMMEDIATE END TO ALL US AID TO SK AND WITHDRAWAL OF REMAINING US FORCES THERE; ALSO EXPECTS FAMILIAR CHARGE THAT US IS SUPPORTING YET ANOTHER MALEVOLENT DICTATORSHIP AMONG ITS CLIENTS WILL BE HEARD WITH INCREASING FREQUENCY.

S-N, HOWEVER, SEES TWO PROBLEMS WITH THIS ARGUMENT. FIRST, CUTTING OFF AID AND WITHDRAWING US TROOPS WILL ELIMINATE WHATEVER LEVERAGE WE NOW ARE ABLE TO EXERT. MOREOVER, ARGUMENT CAN BE MADE THAT PARK DISSOLVED KOREAN ASSEMBLY, DECLARED MARTIAL LAW AND ASSUMED DICTATORIAL POWERS PRECISELY BECAUSE HE PERCEIVED IN "NIXON DOCTRINE" THE PROBABILITY OF EVENTUAL WITHDRAWAL OF US SUPPORT. SECONDLY, WITHDRAWAL OF US AID WOULD INFLICT GREATEST INJURY NOT ON PARK REGIME, BUT ON MILLIONS OF S KOREANS. US LEVERAGE ON ROKG SHOULD BE EXERTED AS STRONGLY AS POSSIBLE TO MODIFY ITS TYRANNICAL TENDENCIES,

BUT IMPULSE TO WASH OUR HANDS OF WHOLE UNHAPPY SITUATION IS NOT BEST ANSWER.

CHINA

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31. ZORZA (CSM, WP) OBSERVES CHINA, SELF-APPOINTED SPOKESMAN OF DEVELOPING COUNTRIES AT LOS CONFERENCE, CALLING LOUDLY FOR INTERNATIONALIZATION OF OCEAN RESOURCES. CHINA DECLARES THAT RESOURCES OF OCEANS ARE "OWNED JOINTLY BY THE PEOPLE OF ALL COUNTRIES," WANTS "EFFECTIVE INTERNATIONAL REGIME" WITH MACHINERY TO MANAGE AND EXPLOIT RESOURCES, CONDEMNS "EXCLUSIVE" CONTROL OR "ARBITRARY" EXPLOITATION OF DEEP-SEA RESOURCES "BY ONE OR TWO SUPERPOWERS ON THE STRENGTH OF THEIR ADVANCED TECHNOLOGY." ZORZA SAYS THE CHINESE WILL NOT GET THEIR WAY AT LOS CONFERENCE, BUT MAY MUSTER ENOUGH VOTES TO BLOCK WHAT THEY DESCRIBE AS "SUPERPOWER MACHINATION." ADDS THAT COINCIDENCE OF US-USSR INTEREST IN THIS AREA HAS REAWAKENED FEARS OF SUPERPOWER "CONDOMINIUM" THAT SOME COUNTRIES SEE IN OTHER AREAS OF INTERNATIONAL POLITICS.

32. MARK CHESTER (CSM) WRITES BRIEFLY (WITH PAGE OF PHOTOS) ABOUT 800 TIBETANS SETTLED IN RIKON, SWITZERLAND. ALTHOUGH THEY HAVE INTEGRATED WELL, LEARNING TO SPEAK THE HIGH GERMAN OF THEIR SWISS NEIGHBORS, THEY STILL KEEP THEIR TRADITIONS. TIBETAN INSTITUTE THERE IS PATTERNED AFTER TRADITIONAL MONASTERY, WHICH SERVES AS PRINCIPAL CONSERVATOR OF TIBETAN CULTURE FOR ENTIRE SETTLEMENT IN SWITZERLAND. TEXTS AND MANUSCRIPTS IN INSTITUTE'S LIBRARY HAVE BEEN PRODUCED IN GERMAN AS WELL AS TIBETAN; AND GERMAN-LANGUAGE BROCHURE IS HANDED TO WESTERN VISITORS BY ONE OF SIX RESIDENT MONKS THERE.

33. AFP HONG KONG (LAT JULY 14) REPORTS PATIENTS FROM SEA AND AS FAR AWAY AS US SEEKING MEDICAL CARE IN CHINA. ATTRACTIONS OF CHINESE MEDICAL CARE ARE REPORTS OF MIRACLE CURES, LOW COST AND SOLICITOUS ATTITUDE OF CHINESE DOCTORS AND NURSES TOWARD PATIENTS.

JAPAN

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34. BOSTON H-A (JULY 12) COMMENTS THAT POLLSTERS AND PUNDITS TOOK SURPRISE MAULING IN CANADIAN AND

JAPANESE ELECTIONS BECAUSE THEY DID NOT PERCEIVE THE UNIVERSAL DESIRE FOR ECON STABILITY; THEIR ERROR WAS COMPOUNDED BY FAILURE TO RECOGNIZE BREAD-AND-BUTTER ISSUES AS MORE PERSUASIVE THAN PARTY POLITICS. SAYS AVERAGE AMERICAN, LIKE HIS CANADIAN AND JAPANESE COUNTERPART, IS MORE CONCERNED NOW WITH PRICE OF FOOD AND SHELTER, HEALTH, EDUCATION AND PROSPECT OF JOB SECURITY IN ECONOMICALLY STABLE COMMUNITY THAN IN EXTRAVAGANT SCHEMES OF POLITICIANS.

35. LAT'S JAMESON IN TOKYO (JULY 14) ATTRIBUTES LDP AND JSP LOSSES TO FACT THESE PARTIES STOOD FOR POSITIONS WHICH VOTERS CONSIDERED IRRELEVANT.

TANAKA AND OTHER CONSERVATIVE LEADERS HAD STRESSED FREEDOM (READ "THREAT FROM COMMUNISTS"), POLITICAL STABILITY (READ "LEFT-WING TEACHERS"), AND MORE EFFICIENT LEGISLATION IN PARLIAMENT (READ "GIVE US MORE POWER TO ENACT OUR LAWS"). TO MANY VOTERS THIS APPROACH WAS REPULSIVE; HERE WAS PM WHO HAD PRESIDED OVER A TWO-YEAR 39 PERCENT RISE IN COL CLAIMING THAT ONLY CONSERVATIVES KNEW HOW TO RUN THE COUNTRY. EVEN MORE FUNDAMENTAL, THE ECON GROWTH CONSERVATIVES WERE BOASTING ABOUT WAS NO LONGER THE UNQUESTIONED GOOD IT ONCE WAS.

JSP RELIED ALMOST ENTIRELY ON LEFT-LEANING SOHYO FOR VOTES AND CANDIDATES; DID NOT BROADEN THEIR APPEAL TO NON-UNION MAJORITY AND MAINTAINED A MARXIST-ORIENTED, CLASS-STRUGGLE APPROACH TO POLITICS.

JCP AND KOMETO CANDIDATES STRESSING DOWN-TO-EARTH ISSUES WERE BIG WINNERS. FORMER CANDIDATES ABANDONED EMPHASIS ON IDEOLOGY AND TOOK UP INDUSTRIAL POLLUTION, ATTACKED COMPANIES FOR

HOARDING AND RAISING PRICES, POINTED OUT IN-
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CONSISTENCIES IN CONSERVATIVES' POLICIES. LIKE
JCP, KOMEITO ATTACKED GOVT. ON SUCH SPECIFIC
ISSUES AS PRICES, POLLUTION, HOUSING AND WELFARE.

DOMESTICALLY, IMMEDIATE EFFECT OF ELECTION WILL BE
TO FORCE ON CONSERVATIVES A DE-FACTO COALITION
SYSTEM OF RUNNING PARLIAMENT. BILLS WILL HAVE TO
BE NEGOTIATED AND COMPROMISED WITH OPPOSITION,
WHICH COULD PRODUCE SYSTEM OF LAW-MAKING IN
PARLIAMENT RATHER THAN IN BUREAUCRACIES. RESULTS
COULD BE BETTER DEMOCRACY THAN BEFORE. INTERNATIONALLY,

ANY FURTHER LDP DECLINE - WHICH MIGHT FORCE LDP
TO ACCEPT FULL PARTNERSHIP IN COALITION - FOREBODES
UNKNOWN FOR JAPAN'S FOREIGN POLICY. FOREMOST
AMONG THEM WOULD BE FUTURE OF SECURITY TREATY
WITH US, WHICH OPPOSITION WANTS TO ABOLISH.

SW PACIFIC

36. LAT (JULY 14) SEES MERIT IN PLAN TO ADD NORTHERN
MARIANAS AS COMMONWEALTH OF US. PLAN WOULD ASSURE
INFUSION OF SORELY NEEDED MONEY AND PERPETUAL
PROTECTION OF US ARMED FORCES FOR LOCALS; FOR
AMERICANS, ARRANGEMENT WOULD PROVIDE SPACE FOR
ENLARGEMENT OF MIL FACILITIES NOW OVERCROWDED
ON GUAM.

NOTES THAT COMMONWEALTH PROPOSAL WAS INITIATED
BY PEOPLE OF NORTHERN MARIANAS - WHO ARE NOT ONLY
NEIGHBORS OF GUAM BUT CLOSELY TIED ETHNICALLY AND
CULTURALLY - BECAUSE THEY THINK PERMANENT TIES
TO US HAVE WORKED WELL FOR GUAM. US STRATEGIC
PLANNERS HAVE SEIZED ON THIS INTEREST AS MEANS OF
RELIEVING OVERCROWDING OF MIL INSTALLATIONS ON
GUAM, SAYS LAT, AND HAVE PROPOSED BUILDING
SECOND CONSTELLATION OF BASES ON TINIAN.

TINIAN AND GUAM BASES WILL INCREASE IN IMPORTANCE
AS OTHER US BASES IN ASIA ARE LOST. CONCLUDES
THAT SOME SECURE BASES IN PACIFIC ARE ESSENTIAL
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IF US IS EFFICIENTLY TO MAINTAIN MAJOR POWER
RESPONSIBILITIES. GUAM AND TINIAN COULD BECOME
IN THE PACIFIC WHAT DIEGO GARCIA IS INTENDED TO
BECOME IN THE INDIAN OCEAN, CONTRIBUTING TO

NETWORK DESIGNED TO REINFORCE THE STABILIZING ROLE
OF US DEFENSE FORCES.

MONGOLIA

37. SULZBERGER IN PARIS (BOSTON H-A JULY 13), IN
CONTEXT OF ARGUING THAT US SHOULD END COLD WAR
WITH CUBA IN QUEST FOR GLOBAL DETENTE, SUGGESTS
OPENING DIPLOMATIC RELATIONS WITH ALBANIA AND
MONGOLIA. THINKS SIMULTANEOUS OPENING OF
DIPLOMATIC RELATIONS WITH EACH OF THESE SATELLITES
IS LOGICAL THING TO DO - BALANCING MOSCOW'S
PLEASURE AT OUR RECOGNITION OF MONGOLIA WITH
SOVIET DISPLEASURE AT OUR RECOGNIZING ALBANIA

AND THE REVERSE FOR PEKING. SULZBERGER REGARDS
MONGOLIA AND ALBANIA AS POLITICALLY AND
STRATEGICALLY OF GREAT INTEREST AS OBSERVATION POINTS.
FROM ALBANIA, US DIPLOMATS MIGHT SNIFF OUT, FROM
NEW VANTAGE POINT, ADDITIONAL INFO ABOUT SOVIET
MACHINATIONS AGAINST YUGOSLAVIA. AND FROM MONGOLIA
THEY MIGHT BE IN BETTER POSITION TO CHECK TENSION
ALONG SINO-SOVIET FRONTIER AND SERIOUSNESS OF
MOSCOW INTENTIONS AGAINST PEKING.

AUSTRALIA

38. BOSTON H-A (JULY 13) SEES SINATRA'S MISBEHAVIOR
REVIVING "UGLY AMERICAN" IMAGE IN AUSTRALIA.
SAYS KNOWING AUSSIES' INDEPENDENCE, WE ARE SURPRISED
HE'S GOING TO ESCAPE ALIVE FROM THE LAND DOWN UNDER,
LET ALONE RESUME HIS MONEY-GRABBING TOUR THERE.
SINATRA'S ARROGANCE AND DISREGARD FOR RULES OF
DECENCY WILL COST THE US SOME MEASURE OF WARM
FRIENDSHIP AND ESTEEM HELD IN AUSTRALIA SINCE
WWII.

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S-N'S TOM DOWLING (7/15) HAS SIMILAR SCATHING
COMMENT ON SINATRA'S ANTICS, LAUDING AUSSIES
FOR THEIR TOUGH TREATMENT.

MALAYSIA

39. LAT'S ELEGANT (JULY 14) IN IPOH WRITES OF MALAYSIAN
EDUCATIONAL QUOTA SYSTEM WHICH HELPS MALAYS AT
EXPENSE OF NON-MALAYS. IN SEPARATE ARTICLE FROM
KL, ELEGANT DISCUSSES MALAYSIA'S FOREIGN RELATIONS.
SAYS US DIPLOMATIC APPROACH TO MALAYSIA CONTRASTS
REFRESHINGLY WITH USUALLY INSTINCTIVE ASSERTION
IN OTHER US EMBASSIES AROUND THE WORLD THAT

HOST COUNTRY IN WHICH THEY ARE LOCATED IS OVER-
WHELMINGLY IMPORTANT TO THE US; CONSENSUS IN KL
JUDGES US INTEREST THERE TO BE MARGINAL, ACCORDING
WELL WITH GOM'S EXPRESSED WISH FOR "NON-ALIGNMENT"
AND WASHINGTON'S DISINCLINATION TOWARD FURTHER
COMMITMENTS IN SEA.

CONDITIONED TO CONSIDER MALAYSIA AS UK RESPONSIBILITY,
US APPROACH OWES MORE TO HISTORY THAN TO PRESENT
CONDITIONS. BUT UK IS HASTENING THEIR POLITICAL
AND MIL DISENGAGEMENT, AND MALAYSIA CANNOT YET
STAND ALONE. ELEGANT SEES THREE CIEF FACTORS
ASSURING THAT US INTEREST IN MALAYSIA WILL

EXPAND AS LONG AS THE US HAS MAJOR INTERESTS
ANYWHERE IN ASIA: MALAYSIA'S STRATEGIC POSITION
AS JUNCTION OF SEA AND AIR ROUTES LINKING EA AND
ME AND CARRYING MORE THAN 90 PERCENT OF JAPAN'S
OIL; INCREASING US INVESTMENT, NOW ESTIMATED AT
400 MIL DOLLARS, HAVING DOUBLED IN THREE YEARS;
AND ACCELERATED TAPPING OF LARGE OFF-SHORE OIL
RESERVES. KISSINGER

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